

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

29 January 2021

Monthly Fund Fact Sheet

Investment Objective

To select a portfolio of equity investments in the Asia Pacific ex-Japan region with above average dividend yields and which have the ability to grow their dividends over time. The fund aims to outperform the MSCI AC Asia Pacific Ex Japan Gross Return Index (USD) by 5-10% annually whilst growing its dividend over time.

Fund Facts

Fund Size (USD)	696.3m
Launch Date	31 December 2010
Fund Manager	Tom Naughton
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD
Index	MSCI AC Asia Pacific Ex Japan Gross Return Index (USD)

Performance - Class B USD (%)

	Fund	Index
1 Month	0.17	3.53
3 Month	17.29	20.51
Year to Date	0.17	3.53
2020	-4.96	22.75
Since Launch	168.74	94.18
Annualised†	10.30	6.80

Source: Morningstar.

Launch Date: B: 31.12.10

†Since Launch Performance

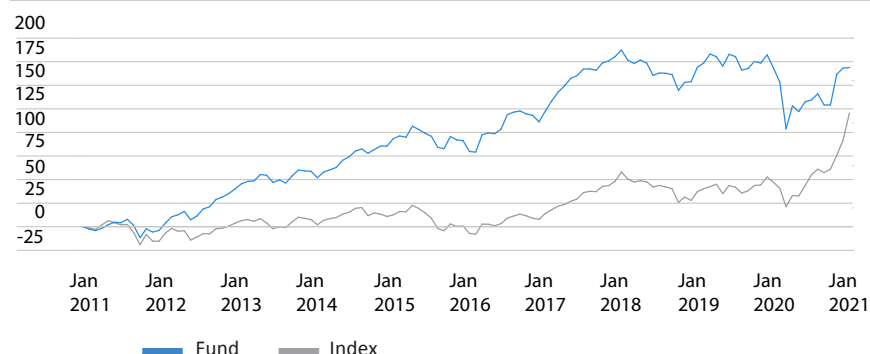
Investment Process

The process is both quantitative and qualitative with the latter dominating. The universe is screened for those high dividend stocks which have the greatest ability to sustain and grow their dividends over time. A particular emphasis is placed on identifying those companies with exceptional franchises, annuity like cash flows and pricing power which are trading at significant discounts to intrinsic value.

Dividend Dates

Dividends paid twice annually (January and July)

Fund Performance - Class B USD (%)



Source: Morningstar. Total return net income reinvested.

Fund Manager Commentary

In January we added to our holdings in **China Mobile** and **CNOOC**. Both are very out of favour with institutional investors after Trump's executive order banned US citizens from buying the stocks. This led to their removal from the FTSE and MSCI Asian indices which, in turn, forced index funds to exit them as well.

But the 7-8% dividend yields that these stocks offer have not escaped the attention of Chinese investors who are more than happy to take advantage of these distressed sellers. The Southbound holdings of **China Mobile** have risen from less than 4% to over 20% of the free float over the past month as Chinese investors took advantage of Donald Trump's chaotic foreign policy strategy. The parent company of **CNOOC** has also taken the opportunity to relieve index fund investors of their unwanted shares by increasing its stake in the listed company.

At the other end of the scale, we have exited **Samsung Electronics** – a position we have held since 2013 – and thus currently we have no technology investments in the fund for the first time since inception. This is not because we are bearish on the technology sector but we simply cannot find any stocks that meet our risk/reward criteria.

Investors will be unsurprised to hear that we continue to subscribe to the increasingly unfashionable theory that valuations still matter in investing. It is not enough just to buy the best companies and rely on them generating high earnings growth for decades into the future. Unfortunately, history teaches us that the future is often tricky to predict, but that valuations and profit growth are strongly mean reverting over time.

All data as at 29.01.21. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

CK Hutchison Holdings Ltd	6.2
Power Grid Corporation of India Ltd	6.2
ITC Ltd	5.7
China Mobile Ltd	5.2
Zhejiang Expressway Co	4.9
Total Number of Holdings	39

Portfolio Financial Ratios

Price/Earnings Ratio	8.9x
Predicted Dividend Yield (%)	6.0

Risk Metrics

Tracking Error (% pa)	9.86
Beta	0.82
Alpha	4.55
Volatility (%)	15.87
Sharpe Ratio	0.92

Thematic Breakdown (%)

Consumer	25.9	
Power Utilities & Energy	19.3	
Communications Infrastructure	18.7	
Real Estate	17.1	
Transport Infrastructure	11.9	
Financials	4.9	
Cash	2.3	

Geographical Breakdown (%)

Hong Kong	30.7	
India	20.3	
China	15.9	
Indonesia	6.3	
Thailand	5.8	
Korea	4.2	
Macau	3.8	
Singapore	3.3	
Philippines	3.0	
Cash	2.3	
Vietnam	2.1	
Malaysia	1.4	
Australia	1.0	

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Management Fees

Annual Management Fee

1.0% p.a. Paid monthly in arrears

Performance Fee

Class 1: None

Class 2 and Class U: 10% of the net out-performance of the MSCI AC Asia Pacific Ex Japan Gross Return Index (USD), with a high-water mark paid annually.

Dealing

Dealing Line	+353 1 603 6490
Administrator	Brown Brothers Harriman (Dublin)
Dealing Frequency	Daily
Valuation Point	11am UK time
Dealing Cut-off	5pm UK time
Min. Initial Subscription	USD 10,000
Min. Subsequent Subscription	USD 5,000

Share Class Details

Class 1		Sedol	ISIN	Month-end NAV
A	USD Unhedged Non distributing	B4MK5Q6	IE00B4MK5Q67	276.45
B	USD Unhedged Distributing	B4QVD94	IE00B4QVD949	177.10
C	GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	163.34
D	SGD Hedged Distributing	B4NFTJ1	IE00B4NFTJ16	165.17

Class 1 shares were closed to further investment on 30th November 2012.

Class 2		Sedol	ISIN	Month-end NAV
X	USD Unhedged Distributing	B4PYCL9	IE00B4PYCL99	158.21
Y	GBP Hedged Distributing	B4TRL17	IE00B4TRL175	146.52
Z	SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	153.23

Class 2 shares are open to current investors only and were closed to new investors as of 30th November 2012. Performance fee based on individual investor's holding.

Class U		Sedol	ISIN	Month-end NAV
U	GBP Unhedged Distributing	BBP6LK6	IE00BBP6LK66	145.55

Class U shares are open to current investors only. Performance fee based on fund performance as a whole.

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